

## **EXHIBIT A - Baptist**

### **CORPORATE INTEGRITY PROGRAM BAPTIST MEDICAL CENTER**

This Corporate Integrity Agreement ("the Agreement") is entered into between Baptist Medical Center (hereafter referred to as "Baptist") and the Office of Inspector General of the United States Department of Health and Human Services ("HHS/OIG"). Pursuant to this Agreement, Baptist agrees to undertake the compliance and corporate integrity obligations outlined below.

#### **I. Preamble**

Baptist agrees to implement a Corporate Integrity Program (the "Program") to prevent fraud, abuse, and false billing to Medicare by Baptist, its subsidiaries, its employees, its independent contractors, its staff physicians, and third parties whose services are ordered, or certified as medically necessary by Baptist personnel. The Program shall be maintained to ensure, to the extent reasonably possible, that Baptist and each of its directors, officers, employees and contractors maintain the business integrity required of a participant in federally-funded health care programs, and that Baptist's delivery of medical care is in compliance with all laws and regulations applicable to such programs and with the terms of the Agreement set out below.

#### **II. Certification and Reporting Requirements**

The period of future compliance obligations assumed by Baptist under this Agreement shall be five (5) years from the date of execution of this Agreement. The date of execution shall be the date when all parties have signed the Agreement. The annual submissions required under the Program shall be submitted on the anniversary date of the execution of this Agreement. All reports and notifications required under this Agreement shall be sent to:

ATTN: Deputy Inspector General  
Office of Enforcement and Compliance  
Office of Inspector General  
U.S. Department of Health and Human Services  
Cohen Building - Room 5600  
330 Independence Avenue, S.W.  
Washington, D.C. 20201.

Baptist agrees to implement the following measures on or before January 1, 1998, unless otherwise specified below:

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### **A. Corporate Compliance Committee**

The Board of Directors of Baptist shall appoint a Compliance Officer who shall chair a corporate compliance committee ("Corporate Compliance Committee") that shall be responsible for the Program. The members of the Corporate Compliance Committee shall include, at a minimum, the Compliance Officer with responsibility for compliance operations and reporting requirements, the Chief Operating Officer of Baptist, the General Counsel of Baptist (if any), and an outside director of Baptist, who shall be appointed by the Chief Operating Officer. The Compliance Officer shall not be a part of the General Counsel's office, but rather should report directly to the Board of Directors of Baptist. A list of all current Compliance Committee members must be included with Baptist's submission of its annual report to OIG. Baptist also agrees to provide to OIG an updated list as necessary to reflect changes in position on the committee within a reasonable time of any such changes.

The Compliance Officer shall be responsible for the submission of annual reports (or more frequent, if circumstances require) to the Board of Directors of Baptist as well as to the HHS/OIG Office of Enforcement and Compliance in accordance with the following.

### **B. Annual Written Reports to OEC**

Baptist will annually provide HHS/OIG's Office of Enforcement and Compliance (OEC) with an annual written report (the "Annual Report") and with copies of all written reports or findings of the Compliance Committee's independent review. The Annual Report shall be submitted to OEC no later than thirty (30) days following the anniversary of the effective date of this Agreement. The Annual Report shall include, among other things, the following:

1. A summary of the actions taken during the preceding twelve (12) months to comply with the terms of this Agreement;
2. A copy of the most recent version of the Corporate Integrity Plan as described in paragraph II.C herein;
3. Copies of the schedules and training materials for the training and education programs for the previous year;
4. Verification by the Chairperson of the Compliance Committee that all relevant employees have signed the certification statement described in paragraph

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II.G and have received the applicable compliance training and education described in paragraph II.F;

5. A list of the number and type of all calls or communications made to Baptist's confidential disclosure program as set forth in paragraph II.H and actions taken by Baptist in response to such communications;
6. Summaries of corrective actions taken as a result of internal or external audit reviews or investigations arising from obligations under this Agreement;
7. A list of all investigations of alleged violations or misconduct related to the billing of all federally funded health care programs performed by Baptist during the preceding year;
8. A summary of the status and resolution of any investigation reported to OIG pursuant to paragraph II.B of this Agreement;
9. A summary of any and all disciplinary actions taken against employees for violations of Baptist's corporate integrity policies or of state or federal laws and regulations applicable to federally funded health care programs;
10. Certification by the Chairperson of the Corporate Compliance Committee, in accordance with 28 U.S.C. section 1746, that, to the best of his or her knowledge, Baptist is in compliance with the terms of this Agreement.

If, after receipt of the Annual Report, OIG has reason to believe that compliance with this Agreement is not sufficiently evidenced by the Annual Report, either because (a) OIG reasonably believes there is inadequate documentation of such compliance or (b) OIG reasonably believes there is material non-compliance with the Agreement, OIG-OEC shall notify Baptist in writing of the reasons for its belief and Baptist will be given the opportunity to provide such additional information and documentation as may reasonably be required by OIG to verify the representations in the Annual Report, compliance with the Agreement, and to conduct reasonable reviews and/or evaluations. In the event that OIG reasonably determines that Baptist is still not in material compliance after receipt of the additional information and documentation, OIG, at its option, may conduct an audit and review or require Baptist, at Baptist's expense, to retain independent professionals where appropriate.

In addition to the above information its Annual Report, Baptist shall report any material violations discovered during an internal or external review immediately (within seven (7) days) to HHS/OIG and shall remedy within sixty (60) days of identification by Baptist or

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the third party reviewer (or within a reasonable period of time as agreed upon prior to the expiration of the sixty (60) day period by OIG-OEC). Baptist will report to the OIG its findings concerning the material violation, its actions to correct such material violation, and any further steps Baptist plans to take to address such material violation and prevent it from recurring in the future. A material violation is one which has a significant, adverse impact on federally funded health care programs and which could affect Baptist's continued participation as a provider in those programs. A material violation shall not include quality of care issues under Baptist's peer review activities unless such peer review activities develop credible evidence of false or improper billings to a federally funded program.

### **C. Corporate Integrity Policy**

Pursuant to the Program, Baptist shall implement and adopt written policies and procedures regarding its compliance with all laws and regulations affecting its operations and to demonstrate its commitment to accurate billings consistent with published Medicare and Medicaid regulations and procedures. The written policies and procedures shall contain provisions for the discipline of employees for violation of the Corporate Integrity Policies and any applicable health care laws or regulations. These policies shall be adopted by the Board of Directors and reviewed and updated as necessary on an annual basis. In addition, these written policies and procedures shall be distributed to all employees and to all independent contractors who are in a position to refer to Baptist or to influence Baptist's billing for items or services to a federally funded health program. Baptist shall post in a prominent place accessible to each employee a notice detailing its commitment to comply with all applicable Medicare and Medicaid laws and regulations in the conduct of its business. A copy of the policies and notice will be submitted with the first annual report to HHS/OIG.

### **D. Billing and Contract Procedures**

Baptist shall contract with an independent professional organization, such as an accounting or law firm, to review on an annual basis the billing policies, procedures and practices of Baptist and its subsidiaries. The review shall be aimed at ensuring that (1) the federally-funded health care programs are billed appropriately for services which are rendered as claimed, (2) that all contracts with referring persons or entities comply with all applicable state and federal laws and regulations, (3) that Baptist does not submit or cause to be submitted to the Medicare or Medicaid programs claims for patients who were referred to Baptists pursuant to contracts or arrangements that were designed to induce such referrals in violation of the Medicare and Medicaid Anti-Kickback Statute, section 1128B(b) of the Social Security Act, 42 U.S.C. section 1320a-7b, and (4) that any and all payment or claims adjustments have been made in a timely fashion. Any known

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or discovered deficiencies shall be reported within seven (7) days to HHS/OIG and remedied within sixty (60) days of identification by Baptist or the third party reviewer.

### **E. Payments to Physicians**

Baptist shall develop, as part of its Corporate Integrity Policy, written policies and procedures concerning payments to physicians. Baptist shall, upon request, provide to HHS/OIG all documentation relating to Baptist's policies and procedures concerning payments made to physicians, including Medical Directors and consultants, that are included in the "Administrative and General Cost Center" or other cost centers on Medicare cost reports, as well as all payments made to such physicians, in addition to their established salaries. Any such payments shall be made only pursuant to a written contract that has been formally approved by outside counsel, and the written opinion of counsel approving such contract shall be attached to the contract in the files of Baptist and evidence of such approval made available to representatives of HHS/OIG upon request. Any "form" contracts or templates developed by counsel and used by Baptists shall not be altered in any way without first obtaining the written advice of counsel that such modification is legally permissible. All such opinions and approvals shall be obtained within three (3) months of the date of execution of this Agreement

### **F. Training and Education**

Baptist shall institute and maintain an information, training, and education program designed to ensure that each officer, director, and employee engaged in the delivery of or billing for health care services or items ("health care employee") is aware of all applicable Medicare and Medicaid laws, regulations, and standards of business conduct that such individual is expected to follow. The training and education program shall also be designed to inform each officer, director, and health care employee of the consequences both to the individual and hospital that will ensue from any violation of such requirements. Each Baptist officer, director and health care employee shall receive at least two (2) hours of training annually regarding the Baptist Corporate Integrity Program. A schedule and topic outline of the training shall be included in the annual report submitted to HHS/OIG.

Baptist shall also implement a mandatory training program for its active staff physicians who bill federally funded health programs. This program shall be updated annually and shall provide for not less than three (3) hours of training and education in the first year of this Agreement and at least two (2) hours of training and education annually thereafter in the coding and submission of accurate bills for services rendered to Medicare or Medicaid patients, the personal obligation of each individual involved in the billing process to ensure that such billings are accurate, the legal sanctions for improper billings, and

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examples of improper billing practices. Such training shall also be included in the formal orientation of new or retrained employees including active staff physicians. Each active staff physician shall sign a form indicating that he or she has received this annual training. In addition, Baptist shall certify that such training has been provided, and shall provide along with its annual report a copy of the forms signed by each active staff physician concerning the annual training. Further, in its annual report to HHS/OIG, Baptist shall set forth generally the format, dates, and materials provided as part of its training and education.

### **G. Annual Certification**

Baptist shall require annual certification by employees in management and all employees responsible for contracting with physicians that they have read and understand Baptist's Corporate Integrity Policy and are familiar with the procedures of the hospital's corporate compliance program. Baptist agrees to begin requiring annual certification by such employees who will certify: (1) that they have received and reviewed the Corporate Integrity Policy, (2) that they understand that compliance with the Corporate Integrity Policy is a condition of their continued employment by Baptist, and (3) that they are aware that Baptist will take disciplinary action, up to and including termination, for violation of the principles and practices set forth in the Corporate Integrity Policy's Standards of Conduct. The annual certification may be performed during the annual training and education session required in paragraph II.F. Baptist agrees to make all annual certifications available to OIG upon request. Baptist agrees to include in the Annual Report submitted pursuant to paragraph II.B of this Agreement verification that all relevant employees, as described above in this paragraph, have signed the certification statement required herein

### **H. Confidential Disclosure Program**

Baptist shall establish a confidential disclosure program, such as an anonymous telephone hotline, enabling employees and active staff physicians and other medical personnel to disclose any billings, activities, or arrangements related to the delivery of health care services or items, that may be deemed by the employee to be inappropriate, to an identified individual not in that employee's direct chain of command. Baptist shall post its hotline number or any other means of confidential disclosure in a prominent place accessible to each employee. Baptist shall, as part of the program, require the internal review of any such disclosure and ensure that proper follow-up is conducted. Baptist shall include in its annual report to HHS/OIG a summary of communications concerning inappropriate billings under the confidential disclosure program, and the results of any internal review, the actions taken to correct any potential problems identified in such reviews, and the follow-up with the Government of such disclosures.

## **EXHIBIT A - Baptist**

### **I. Dealing with Excluded or Convicted Persons**

As part of its Corporate Integrity Policy, Baptist shall implement and make appropriately known a written internal operating policy that Baptist shall not knowingly employ, with or without pay, an individual who is listed by a federal agency as debarred, suspended or otherwise ineligible for federal programs. In order to carry out the policy, Baptist shall make reasonable inquiry into the status of any potential employee or consultant. Such reasonable inquiry shall include, at a minimum, review of the HHS/OIG Cumulative Sanctions Report and the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs.

Baptist's policy does not require Baptist to terminate the employment of individuals who become suspended or are proposed for debarment during their employment with Baptist. Baptist, however, will remove such employees from responsibility for, or involvement with, Baptist's Medicare or Medicaid business operations until the resolution of such suspension or proposed debarment. In addition, if any employee of Baptist is charged with a criminal offense relating to its Medicare or Medicaid business, Baptist will remove that employee immediately from responsibility for or involvement with Baptist's Medicare or Medicaid business affairs. If the employee is convicted or debarred, Baptist's policy requires that the employee will be terminated from employment with Baptist unless or until such time as the employee is reinstated by the Government.. Baptist shall notify HHS/OIG of each such personnel actions taken and the reasons therefore, within fifteen (15) days of the action.

Baptist shall not allow, or cause to be allowed, any person convicted in any local, state or federal court of any felony involving health care matters to hold the position of officer or director of Baptist, or any subsidiaries.

### **J. Discipline.**

Throughout the term of this Agreement, Baptist agrees to compile and maintain information on disciplinary actions taken against Baptist employees for violations of company policies related to the applicable health care laws or regulations. Baptist will include a summary of any such disciplinary actions in its Annual Report submitted to the OIG and will make the underlying information available to OIG upon request.

### **III. OIG Inspection, Audit and Review Rights**

In addition to any other right that HHS/OIG may have by statute, regulation, contract or pursuant to this Agreement, HHS or its duly authorized representative(s) may examine Baptist's books, records, and other company documents and supporting materials for the

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purpose of verifying and evaluating: (1) Baptist's compliance with the terms of this Agreement; (2) Baptist's business conduct in its dealing with the United States Government, or any agencies or agents thereof; and (3) Baptist's compliance with the requirements of the Medicare and Medicaid programs and other federally-funded health care programs. The documentation described above shall be made available by Baptist at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, HHS or its authorized representative(s) may interview any Baptist employee who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and HHS. Employees may elect to be interviewed with or without a representative of Baptist present.

If HHS/OIG determines that it is necessary to conduct an independent audit or review to determine whether or to the extent to which Baptist is complying with its obligation under this Agreement, Baptist agrees to pay for the reasonable cost of any such audit or review.

### **IV. Document and Record Retention**

Baptist shall maintain for inspection documents and records relating to Medicare and Medicaid reimbursement for a period of six (6) years following the execution of this Agreement.

### **V. Cooperation**

An obligation under the terms of this Agreement shall be Baptist's good faith cooperation with any civil, criminal or administrative investigations or proceedings related to its status as a provider of federally-funded health care programs. A material failure to cooperate shall be treated as a breach of the terms of this Agreement. The cooperation Baptist pledges in this paragraph is not to be construed as a waiver of attorney-client or work-product privileges, except as provided for in the settlement agreement and release.

### **VI. Breach and Default Provisions**

Baptist's compliance with the terms and conditions to this Agreement shall constitute an element of Baptist's present responsibility with regard to participation in federally-funded programs. Baptist's failure to meet any of its obligations pursuant to the terms and conditions of this Agreement constitutes a separate cause for exclusion.



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In the event that HHS/OIG believes Baptist has breached one or more of its obligations under the Agreement, HHS/OIG will notify Baptist of the alleged breach by certified mail, specifying the circumstances of the alleged breach. Baptist will have thirty (30) days from receipt of the notice to cure said breach or otherwise satisfy the Government that it is in full compliance with this Agreement.

If, at the end of the thirty day period described above, HHS/OIG determines that Baptist continues to be in breach of one or more of its obligations under this Agreement, HHS/OIG may declare Baptist to be in default and exclude Baptist from participation in the Title XVIII (Medicare) program, the Title XIX (Medicaid) program and other State health programs as defined in Title 42 U.S.C. section 1320a-7(h) until such time as the breach is cured.

Upon notification by HHS/OIG of its intent to exclude, Baptist is entitled to the due process afforded a provider under 42 U.S.C. section 1320a-7(f). Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a breach of this Agreement shall be (1) whether Baptist was in breach of one or more of its obligations under this Agreement, at the time of and as specified in the notice given to Baptist, and (2) whether such breach was continuing on the date on which HHS/OIG notified Baptist of its proposal to exclude.

## **VII. Costs Related to Compliance Plan and Settlement**

Baptist agrees that all costs, as defined in FAR 31.205-47, incurred on behalf of Baptist's current or former officers or directors arising from, related to, or in connection with the Government's civil and criminal investigations, Baptist's defense and settlement thereof, the civil Settlement Agreement entered into by Baptist and the United States, or the performance or administration of this Agreement, shall be unallowable for Medicare, Medicaid, or other Government contract accounting purposes. Baptist agrees to account separately for such costs. Baptist shall treat these costs as unallowable costs for Government contract accounting purposes and shall account separately for such costs. Included in these unallowable costs are any legal or related costs expended on behalf of any indicted or convicted Baptist employee. Baptist also agrees to treat as unallowable the full salary and benefits costs of any officer, employee, or consultant removed from government contracting in accordance with the Baptist policy regarding employees who are indicted, debarred, suspended, or proposed for debarment, and the cost of any severance payments or early retirement incentive payments paid to employees released from the company as a result of the wrongdoing alleged.

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In addition to the obligations assumed by Baptist under the Agreement and as described above, if HHS/OIG determines that it is necessary to conduct an independent audit or review to determine whether or to the extent to which Baptist is complying with its obligation under this Agreement, Baptist agrees to pay for the reasonable cost of any such audit or review.

### **VIII. Modification**

Baptist and HHS/OIG agree that any modification to this Agreement must be made by written consent of the parties to this Agreement.

### **IX. Integration Clause**

This Agreement and the Settlement Agreement entered into by HHS/OIG and Baptist embody the entire agreement and understanding of the parties with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in this Agreement. This Agreement, together with the Settlement Agreement, supersedes any and all prior agreements and understandings between the parties with respect to such subject matter.

**EXHIBIT A - Baptist**

IN WITNESS WHEREOF, the parties hereto affix their signatures.

FOR THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:


\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Lewis Morris  
 Assistant Inspector General  
 For Legal Affairs  
 Office of Inspector General  
 Department of Health and Human Services

FOR BAPTIST MEDICAL CENTER:

\_\_\_\_\_  
 Date

9-16-97

\_\_\_\_\_  
  
 Chairman of the Board  
 Baptist Medical Center

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Howard M. Pearl, Esq.  
 Winston & Strawn  
 35 West Wacker Drive  
 Chicago, IL 60601


**EXHIBIT A - Baptist**

IN WITNESS WHEREOF, the parties hereto affix their signatures.

FOR THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:

Date

9/15/97

  
\_\_\_\_\_  
Lewis Morris

Assistant Inspector General

For Legal Affairs

Office of Inspector General

Department of Health and Human Services

FOR BAPTIST MEDICAL CENTER:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chairman of the Board  
Baptist Medical Center

\_\_\_\_\_  
Date

\_\_\_\_\_  
Howard M. Pearl, Esq.  
Winston & Strawn  
35 West Wacker Drive  
Chicago, IL 60601

**Modification to the Corporate Integrity Agreement**  
**entered into between**  
**Baptist Medical Center and**  
**Office of Inspector General of the United States Department of Health and Human Services**

This Modification of the Corporate Integrity Agreement ("Agreement") dated September 16, 1997 is entered into between Baptist Medical Center ("Baptist") and the Office of Inspector General of the United States Department of Health and Human Services ("HHS/OIG"). Pursuant to paragraph VIII. of the Corporate Integrity Agreement, any modifications to the corporate integrity agreement must be made in writing signed by the parties of the Agreement. Therefore, this modification alters the Agreement in the following manner:


- (1) This Modification alters paragraph II. of the Agreement by extending the period of the compliance obligations under the Agreement until January 31, 200~~4~~<sup>3</sup>; *LM*
- (2) This Modification alters paragraph II.B. of the Agreement by establishing January 31 as the date upon which annual submissions must be received by the Office of Inspector General; and
- (3) This Modification alters paragraph II. of the Agreement by altering the entity and address that all reports and notifications required under the Agreement shall be sent. All submissions under the Agreement shall be sent to:

Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health and Human Services  
330 Independence Avenue, S.W.  
Cohen Building, Room 5527  
Washington, D.C. 20201.

IN WITNESS WHEREOF, the parties affix their signatures.

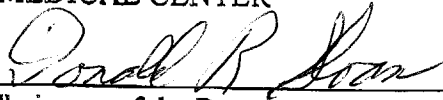
FOR THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:

2/10/99  
Date

  
\_\_\_\_\_  
Lewis Morris  
Assistant Inspector General For Legal Affairs  
Office of Inspector General  
Department of Health and Human Services

FOR BAPTIST MEDICAL CENTER

1/18/99  
Date

  
\_\_\_\_\_  
Chairman of the Board  
Baptist Medical Center